



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAR 19 2010

REPLY TO THE ATTENTION OF:

AR-18J

Matt Stuckey, Chief
Permits Branch
Office of Air Quality
Indiana Department of Environmental Management
100 North Senate Avenue
Indianapolis, Indiana 46204

Dear Mr. Stuckey:

On February 15, 2010, the Indiana Department of Environmental Management (IDEM) sent the U. S. Environmental Protection Agency for our review a draft revised Title V operating permit for the BP Products North America Incorporated, Whiting Business Unit facility (BP Whiting). IDEM also provided EPA the technical support documents addressing the petition order response issues. As you know, on October 16, 2009, the Administrator signed an order responding to a petition to object to the June 16, 2008, Title V permit issued to BP Whiting by IDEM.

We appreciate the opportunity to work closely with you and other IDEM staff on our review and to provide you with our preliminary comments on the permit before IDEM makes the draft permit available for public comment. Our letter below contains concerns we have found during the review of the draft permit and technical support document materials. Certain concerns are of a technical nature, and we feel that these concerns may be best addressed with a meeting between IDEM and EPA. The following are EPA's comments on the draft permit and technical support documents to date.

1. The Technical Support Document (TSD) for the Part 70 significant source and permit modification contains a summary of IDEM's response to EPA's objections to the Title V permit. On page 11 of 30 of the TSD, IDEM summarized the objections contained in the petition order and provides further explanation and analysis for four types of emissions. In order to ensure that the public understands and has the opportunity to comment on each of the issues that IDEM needs to address in the revised permit, we recommend that IDEM utilize the six headings from our October 16, 2009, order and provide a description of the issue and analysis (or reference to TSD section containing the analysis) of IDEM's response for each specific entry.

2. In the petition order, EPA directed IDEM to address flaws regarding its approach to analyzing flaring emissions associated with the new proposed flares. EPA noted that IDEM could place a legally and practically enforceable prohibition on flare emissions, or follow any other approach that is consistent with Indiana's nonattainment new source review and prevention

of significant deterioration rules to address flaring emissions during periods of start-up, shut-down, and malfunctions. In response, IDEM added a condition to the draft permit requiring BP to include all flaring emissions (whether planned or unplanned) in the ongoing compliance demonstration in section D.0. This condition is not a legally or practically enforceable prohibition on flaring emissions during periods of start-up, shut-down, and malfunction. IDEM's response also does not provide an explanation of how the new condition addresses flaring emissions in a manner that is consistent with the state's new source review rules, nor does the netting analysis include all emissions from flaring, including during start-up, shut-down, and malfunction, as might be expected. Thus, it is still not clear to us that IDEM's approach satisfies the requirement of the petition order. We believe further discussion on this issue would be beneficial.

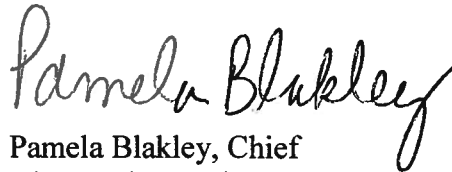
3. In the petition order, EPA granted the petition concerning the coke drum depressurization, and increased coking, including coke cutting, coke drum depressurization, and coke quench water. EPA has many questions regarding the assumptions and calculations used in the revised draft permit documents, from the appropriateness of those assumptions to whether IDEM has adequately made enforceable in the proposed permit critical assumptions which would impact the emissions calculations. Again, we believe this is an area where further dialogue is warranted. As an example, however, we note IDEM's coker vent emission calculations use an average concentration of organics in the vapor derived from certain SCAQMD tests. After reviewing these tests, we have determined that several tests only measured a small part of the venting period. Data from the testing conducted at the HOVENSA refinery, which IDEM has, indicates venting in a typical coker should last between 90 minutes to as much as 3 hours. The HOVENSA test measured the full venting periods at that coker and therefore, may be more representative of average emissions. Based on the information provided, it is still not clear why IDEM relied on the SCAQMD tests as opposed to the other available test data.

4. We are still in the process of reviewing your netting analysis. It is important to understand how any changes that BP is proposing to make in this permitting action, that would impact either the project scope or the netting analysis, comports with Clean Air Act requirements, including Section 52.21(a)(2)(iv)(b) [326 IAC 2-2-2(d)(2)] ("the procedure for calculating (before beginning actual construction) whether a significant emissions increase . . . will occur") and Section 52.21(b)(3)(vi)(b) [326 IAC 2-2-1(jj)(6)(B)] (emission decrease must be "enforceable . . . at and after the time that actual construction . . . begins")(emphases added). At a minimum, however, if the proposed change at the marine dock is retained, IDEM must clarify how the emissions from the loading of the gasoline otherwise intended for the marine loading dock that will now be redirected to the truck and train loading docks are addressed in the netting calculations and revised permit. Also, IDEM may need to evaluate the baseline emissions from the truck and train loading docks for better quantification of emissions, similar to how it analyzed the marine loading dock emissions.

Finally, please recognize that EPA has ongoing compliance investigations at the BP facility, including one related to its OCC project. Note that nothing in our current review of the draft permit, in response to the Order, affects our ability to pursue these investigations, and these investigations may result in additional requirements and possible enforcement action, which could lead to additional permitting.

We understand that IDEM will soon be releasing the draft revised permit for public comment and opportunity for a public hearing. Again, we offer the opportunity to meet, including a face-to-face meeting, which could include BP, at your convenience, to further discuss our questions; we believe such a discussion will be much more effective in understanding and resolving the questions we have posed. As you know, EPA retains the authority to review and provide IDEM further comments or direction on the proposed revised Title V permit during the 45 day review period that follows the public comment period. We will continue to work closely with you and your staff in an effort to ensure that the issues granted in the petition order are addressed. If you have any further questions, please feel free to contact me or have your staff contact Constantine Blathras of my staff at (312) 886-0671.

Sincerely,

A handwritten signature in black ink that reads "Pamela Blakley". The signature is written in a cursive, flowing style.

Pamela Blakley, Chief
Air Permits Section